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EX PARTE OR LATE FILED November 7, 1994

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Presentation in MM Docket No. 92-266

Dear Mr. Caton:

PBS Horizons Cable Network by its attorneys and pursuant to Section 1.1206(a)(2) of the Commission's rules, hereby files two copies of this letter in the above-referenced proceeding to inform the Commission that on November 2, 1994 the undersigned, accompanied by Diane Asadorian, General Manager, PBS Horizons Cable Network, visited the following Commission offices to discuss the current status of the Commission's proposed "going forward" rate regulation incentives for adding new programming networks as they relate to comments filed by PBS Horizons Cable Network in the above-referenced docket:

1. Gregory J. Vogt, Deputy Chief, Cable Services Bureau.
2. Merrill Spiegel, Office of Chairman Reed E. Hundt.
3. Lisa B. Smith, Office of Commissioner Andrew C. Barrett.
4. Maureen A. O'Connell, Office of Commissioner James H. Quello.
5. Mary P. McManus, Office of Commissioner Susan P. Ness.

Copies of the enclosed October 26, 1994 letter from Diane Asadorian to Chairman Hundt were also provided to these offices and to the Office of Commissioner Rachelle Chong as well. Subsequently, copies of the enclosed November 3, 1994 letter from Diane Asadorian to Anne M. Sweeney, Chairman of fX, were also supplied to these offices.

No. of Copies rec'd
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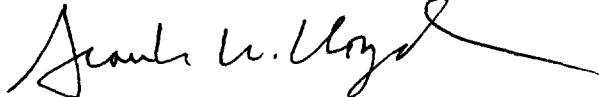
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November 7, 1994

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Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank W. Lloyd", with a long horizontal flourish extending to the right.

Frank W. Lloyd

cc: Merrill Spiegel
Lisa B. Smith
Maureen A. O'Connell
Mary P. McManus
Gregory J. Vogt

D33000.1

October 26, 1994

The Honorable Reed E. Hundt
Chairman
The Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

Dear Chairman Hundt,

I write with the greatest alarm having read Anne Sweeney's letter to you regarding the Commission's imminent decision on the two year "going forward" proposal for new program service incentives.

Anne Sweeney wrongly equates low cost services with low value. CSPAN, which is not a high cost service is one of the greatest assets in the country and to the cable industry. It created an environment which sponsors good citizenry and yet by Anne Sweeney's formula since it pays no programming royalties it is not valuable. The royalty payment she refers to is simply a way for large vertically integrated companies like Fox to lay rights costs off from one division to another.

PBS Horizons set out to serve the country with a channel of ideas. We wanted to insure that at least one channel in this new world would serve a higher purpose than shopping or running old sit-coms. We intend to take the best minds of the country and present them to the public direct from the campuses and institutions where they talk, teach and create every day. Some call it a CSPAN of the imagination. It is intended to bring an eclectic world of ideas into the home and archive some of the great minds of the nation on videotape. The response from the cable industry has been overwhelmingly supportive yet repeatedly we were told, everything depends on what the FCC decides to do.

PBS Horizons wanted to make this widely available therefore we decided to keep the cost as low as possible to get carriage. We did not want to force the public to pay a lot to get our service. That is not public television's mission. That would be elitist. When retransmission consent unwittingly gave a leg up on starting cable networks to broadcasters like Fox we were put at a disadvantage. Public television specifically asked that retransmission not apply to us so that no one would come between the programming and the public, but never did we expect it would be turned on its head and used against us.

I ask no special favors as Fx has on more than one occasion. However, I ask you to see it in your heart and mind not to micro manage the process in the way Anne Sweeney suggests. Moreover, I ask that you consider not providing additional incentives which help the broadcasters and studios to the detriment of the innovative, the independent, the entrepreneurial and the public service minded. Some people really want to serve the greater good rather than serve the financial interests of their corporations.

Respectfully,



Diane Asadorian
General Manager
PBS Horizons Cable Network

cc: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Meredith Jones, Esq.
Kathleen M.H. Wallman, Esq.
William H. Johnson, Esq.
William E. Kennard, Esq.
Blair Levin, Esq.
Merrill Spiegel, Esq.

November 3, 1994

Anne M. Sweeney
Chairman
f/x
P.O.Box 900
Beverly Hills, California 90213

Dear Ms. Sweeney,

Thank you for your sympathetic note. It sounds as though you have come around to our way of thinking. Just to be clear, we do not support a cap within a cap which you support. Moreover we do not believe, that cost determines value, which you state in your letter to the Chairman.

Since you support and consider your channel public service minded you should not object to a provision concerning the cap within a cap. We believe that we will be adversely affected. One way around this is for companies like yours which benefit from the cap to use a portion of your capped revenue to support non-profit educational, and public interest cable services. The concept is similar to the way universal phone service is paid for. This way we could reach our common goal of putting all program services on equal footing when competing for carriage and presenting diversity of content to consumers.

Kind regards,



Diane Asadorian
General Manager
PBS Horizons Cable

cc: The Hon. Reed Hundt
The Hon. James Quello
The Hon. Andrew Barrett
The Hon. Rachelle Chong
The Hon. Susan Ness